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TAGS: [PGOV](#) [PNAT](#) [KDEM](#) [ECON](#) [IZ](#)
SUBJECT: GOVERNMENT FORMATION UPDATE: MODERATE SHIA
ISLAMIST SAYS PM RACE IS DEAD HEAT.

Classified By: POLITICAL COUNSELOR ROBERT S. FORD, FOR REASONS 1.4 (B)
AND (D).

¶1. (S/REL UK) Summary. In a February 10 meeting, independent moderate Shi'a Islamist Ali al-Dabbagh told Poloffs that the two leading United Iraqi Alliance (UIA) candidates for Prime Minister, Ibrahim Jafari and 'Adil 'Abd al-Madhi, are in a dead heat, with eight or more Alliance members still undecided. Based on this, Fadhila Party Nadim al-Jabiri is negotiating for the best package, indicating that his 15 votes could determine the next PM. Dabbagh said the Sadrists plan to vote February 11 in a way likely to ensure that all their votes go to Jafari. Al-Dabbagh hinted that both Jafari and 'Abd al-Madhi have asked him to be spokesperson. Al-Dabbagh confirmed that the formula for choosing cabinet ministers will be the same as last time, in which the party that gets the prime ministership is not likely to get any major ministries. He also recommended that the USG and GOI "recognize" Moqtada al-Sadr in an effort to keep him calm and controllable. End Summary.

Shia Independents Weigh In

¶2. (C/REL UK) Independent moderate Shi'a Islamist Ali al-Dabbagh, a member of the Transitional National Assembly, formerly a spokesman for the United Iraqi Alliance (UIA), and disappointed candidate for the Council of Representatives (CoR), told Poloffs February 10 that the UIA independents were likely to divide their votes: 15 votes for Deputy President 'Adil 'Abd al-Madhi and 5 votes for Prime Minister Ibrahim Jafari. According to al-Dabbagh, the Sadrists plan to have their members turn in their votes separately, so that all 30 or so members will, in the name of party unity, have their votes cast for Jafari.

Determining the Breakdown

¶3. (C/REL UK) Al-Dabbagh stressed that efforts were underway on Friday to reach consensus without a vote. If there is a vote, Al-Dabbagh saw the race as a near dead heat, with the remaining 8-10 votes unknown.

60 For Jafari:
25 Da'wa Party and Da'wa Tanzim al-Iraq
30 Sadrists
5 Independents

45 For 'Abd al-Mahdi:
30 SCIRI and Badr Organization
15 Independents

15 swing votes:

Fadhila Still Vying

¶4. (C/REL UK) Community leader Mustafa al-Kadhimi, who hosted the meeting with al-Dabbagh, told Poloffs that Fadhila Party leader Nadim al-Jabiri knows his 15 votes can make or break either PM candidate, so he is using this to negotiate the best package out of both of them. According to al-Dabbagh, al-Jabiri said if he does not get what he wants from either 'Abd al-Madhi or Jafari, he would leave the Alliance. However, al-Dabbagh reported that Fadhila spiritual leader Shaykh al-Yacubi in Najaf told him that he wanted Fadhila to stay in the Alliance.

Jafari vs. 'Abd al-Madhi

¶5. (C/REL UK) Al-Dabbagh had a realistic appraisal of both Jafari and 'Abd al-Mahdi. He said that there is no guarantee of success with Jafari as PM. "He will only last two years in the job because Jafari does not have the ability to listen and learn from others. Besides, his relationship with the Kurds will do him in," commented al-Dabbagh. Al-Dabbagh said he believed that Jafari, in his heart, wants to do the right thing. Al-Kadhimi added that Jafari rid himself of most of his first-term advisors, leaving only Falah Fayadh. (Note: Former Jafari spokesman Laith Kubba recently praised Fayadh to Emboff as one of Jafari's most capable advisers. End note.) Al-Kadhimi said Jafari went as far as to request a meeting with secular Allawi supporter Rend Rahim to get her

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perspective on how to organize his office. Al-Dabbagh claimed Jafari is serious about reforming his inner circle, but he will also continue to listen to several of his old-line Da'wa supporters.

¶6. (C/REL UK) In comparison, al-Dabbagh said that 'Abd al-Mahdi had surrounded himself with solid advisors (Farid Yassen, Zuhair Hamudi, Mohammad al-Hakim, Thamir Ghabban and others). Al-Dabbagh hinted that both Jafari and 'Abd al-Madhi had approached him about accepting the position of spokesperson.

Iranian Influence

¶7. (S/REL UK) Al-Dabbagh was concerned about the extent of Iranian influence over the next government, whoever led it. Neither Jafari nor 'Abd al-Mahdi would sacrifice relations with Iran, he said. He reasoned that Jafari is willing to make a deal with anyone to become a success, making him much more susceptible to Iranian offers. Al-Dabbagh admitted that 'Abd al-Madhi will have difficulty going against SCIRI/Badr. "'Adil can refuse some requests from (Hadi) al-Ameri and Badr," al-Dabbagh said, using the argument that anything Badr gets, Sadr will want, too. However, 'Abd al-Madhi aspires to eventually strengthen himself away from SCIRI, but relies entirely on Hakim as his power base.

¶8. (S/REL UK) Outside the capital, however, al-Dabbagh acknowledged that Iranian influence is increasing. Al-Dabbagh said that Iranian intelligence (he used the Persian word Etellat, but did not specify whether he had in mind the Iranian Revolutionary Guards Quds Force or the Ministry of Intelligence and Security) was now more powerful than ever, and was having an influence over the security arm of Badr. "Badr said it was a humanitarian organization" a year ago, al-Dabbagh said. "Now Badr says it will protect rallies -- how can it do that if it is a humanitarian organization?" Badr is forming new organizations: "Friends

of Badr" and "Friends of SCIRI," with vague and potentially menacing mandates. "People like me are facing people who have money and (their own) security," he said. "This is misused by the Iranians." In Karbala, he said, "when you start talking against Badr, you are killed." Badr, al-Dabbagh said, was "behaving like the Sadrists."

Cabinet Formation

¶9. (C/REL UK) "The formula for choosing cabinet ministers will be the same as last time," said al-Dabbagh, with the party that gets the Prime Ministership not getting any of the other major ministries. He added that the Sadrists will not give up any of their ministries. Al-Dabbagh predicted that Fadhila will offer the Oil Ministry to South Oil Company head Jabar Ali al-Luhaybi, and Hoshyar Zebari will remain as Foreign Minister. Al-Dabbagh thought Tawfiq al-Yasiri would make a good Minister of Defense and Barham Saleh could resume the job of Deputy Prime Minister. Al-Dabbagh considered Qassim Daoud an excellent choice for Minister of Interior except for his poor health. (Note: Daoud had heart surgery in late 2005 with a follow-up procedure in early 2006. End note.)

¶10. (C/REL UK) Al-Dabbagh has been a public advocate for the proposed National Security Council. Al-Dabbagh said the Council should not have executive authority. He envisioned a Council that would decide strategies for the country, i.e. negotiate with the insurgency, decide Iraq's relations with neighboring countries, promote national reconciliation, and outline constitutional review issues. The Council should have ten members, one of whom, al-Dabbagh said, should be former PM Ayad Allawi.

¶11. (C/REL UK) SCIRI head 'Abd al-'Aziz al-Hakim has no objection to Allawi, al-Dabbagh said; the problem is Muqtada al-Sadr. Al-Dabbagh said he had talked recently to Allawi, Hakim and Sadr supporters about Allawi's participation in the government. Sadr's top aides may be softening, al-Dabbagh said -- they are saying now that "they can't say yes yet," because Sadr himself is in Syria. Al-Dabbagh said he believed that relations between Allawi and Sadr could be worked out, but that Allawi should take some symbolic step to show respect to Muqtada; he need not offer him anything substantive. A visit by Allawi to Muqtada would be useful, al-Dabbagh said, but Allawi had indicated such a visit was unlikely.

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Muqtada Wants Respect

¶12. (C/REL UK) Al-Dabbagh warned that the rivalry between Hakim/Badr and Muqtada Sadr could become more and more violent. Al-Dabbagh suggested the USG open a channel to Sadr, who has 28-30 seats, as a legitimate player on the political scene. "Recognition and legitimacy will keep Muqtada more calm and predictable," commented al-Dabbagh. "He wants to be assured people are listening to him." In response to Poloffs' question, Dabbagh said Muqtada listens to Mustafa al-Yaqubi, Riyadh al-Nuri, and Jafar Muhammad Hamid Bakr al-Sadr.

Reforming the Economy Is Key

¶13. (C/REL UK) Reforming the economy is the key to Iraqi political recovery, al-Dabbagh (a businessman) said. Asked what his advice would be to an incoming Prime Minister of Iraq, he said, "Give the private sector in Iraq a chance." Al-Dabbagh advocated getting the banking system up and

running -- which he indicated would take one to two years. The construction industry could lead the economic recovery. The Basra port needed to be improved and Sadrist corruption in the port needed to be stopped. Insurance needed to become more available, and the Iraqi government-run insurance company needed seed capital of several million dollars to get going quickly. Agriculture required help, too, and old industries should be privatized with help given to 800,000 industrial workers likely to be made redundant to find new jobs.

¶14. (C/REL UK) Al-Dabbagh said the Iraqi budget was sufficient for this year, but needs substantial new funds for 2007, when donor funds dry up. There should be considerable new investment in the Iraqi oil and gas industry now in order to create revenues for 2007.

Role of the Marja'iyya

¶15. (S/REL UK) Al-Dabbagh, who thought he was close to Grand Ayatollah Ali al-Sistani until Sistani's all-but-open December endorsement of the UIA doomed al-Dabbagh's independent candidacy, said that Sistani was being drawn too far into politics in recent months. Dabbagh said that Ayatollah Sistani's son, Sayyid Muhammad Ridha al-Sistani, was getting too involved in the details of government, at the behest of Hakim and Husayn Shahrastani. "People in Baghdad" (referring to Hakim and Husayn Shahrastani) "were pulling Muhammad Ridha down and using him in the details." Al-Dabbagh said he hoped to go see his close friend Jawad Shahrastani, Ayatollah Sistani's son-in-law in Qum, Iran, to urge the marja'iyya to stay above the political fray lest their reputations be diminished by involvement in day-to-day politics.

¶16. (S/REL UK) Al-Dabbagh assured Poloffs that Sayyid Muhammad Ridha respects the United States for what it has done in Iraq. He said that Muhammad Ridha was concerned, however, about reports of recent contacts between U.S. officials and insurgents. He reportedly fears this is the first step towards the return of Ba'thists to political life and then to power. Al-Dabbagh said that Muhammad Ridha also believes that Allawi has surrounded himself with the worst of the former Ba'thists, instead of others whose presence would not give rise to concerns that the Ba'thists might be using Allawi as a means to return to power. Poloffs assured al-Dabbagh that the United States would never countenance a return of the Ba'thists to power in Iraq, and that it was important for the Ba'thists to be persuaded to lay down their arms, participate in the democratic political process, and renounce violence. Al-Dabbagh said that it would be helpful for Muhammad Ridha to be re-assured from time to time that the Shi'a would not lose the benefits of democracy.

¶17. (C/REL UK) Comment. Ali al-Dabbagh was not elected to the Council of Representatives, but remains a Shia insider who is in direct communication with people close to Ayatollah Sistani. Al-Dabbagh commands a strong media presence and is likely to stay visible in Iraqi politics, as the next PM Spokesperson or as a television commentator on Iraqi politics. PolOffs view al-Dabbagh's proposed approach toward a calmer and more predictable Muqtada as thought provoking, but dubious. End Comment.
KHALILZAD